

# **MANDENI MUNICIPALITY**



**DRAFT**

## **INDIGENT SUPPORT POLICY**

## 1. INTRODUCTION

In terms of **Section 74 of the Local Government Municipal Systems Act 2000**, a Municipal Council must adopt and implement a **Tariff Policy**. In terms of **Section 74(i)** of the Act in adopting a Tariff Policy, the Council should at least take into consideration the extent of subsidization of tariffs for poor households. Arising from the above, Council needs to approve an **Indigent Support Policy**. This policy must provide procedures and guidelines for the subsidization of basic services and tariff charges to its indigent households.

The Council accepts that they are responsible for the rendering of services in terms of **Schedules 4 and 5 of the Constitution** as well as other services which may be delegated by **National and Provincial Government**. The Municipality will endeavor to render a basic level of services necessary to ensure an acceptable and reasonable quality of life and which takes into account health and environmental consideration. None of the residents should fall below the minimum level of services.

## 1. OBJECTIVE

The objective of the **Indigent Support Policy** is to ensure the following:

- The provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the Municipality; and
- To provide procedures and guidelines for the subsidization of basic service charges to its indigent households, using the Council's budgetary provisions received from **Central Government**, according to prescribed policy guidelines.

The Council also recognizes that many of the residents can simply not afford the cost of fully provision and for this reason the Council will endeavor to ensure affordability through:

- Setting tariffs in terms of the **Council's Tariff Policy**, which will balance the economic viability of continued service delivery; and
- Determining appropriate service levels,

## **2. REPSONSIBILITY/ ACCOUNTABILITY**

The Council has the overall responsibility for laying down the **Indigent Support Policy**.

## **3. INDIGENT SUPPORT POLICY PRINCIPLES**

The following are the guiding principles in implementing the **indigent Support Policy of Mandeni Municipality**.

- 3.1 The **Indigent Support Policy** is in accordance with the **Local Government Municipal Systems Act 2000**, and other amending or related legislation.
- 3.2 Relief will be provided by the Council to registered consumers of services.
- 3.3 The Council must, wherever possible, ensure that any relief is constitutional, practical, fair, equitable and justifiable to avoid alienating any group of households. There should be no differentiation in the level of service rendered.
- 3.4 The subsidy for minimum service level should not result in the creation of a massive bureaucratic administration that would not be cost effective to implement.
- 3.5 Differentiation must be made between those households who cannot afford to pay for basic services and those who just do not want to pay for these services.
- 3.6 The payment of services should be affordable to the indigent
- 3.7 It should be based on a predetermined period or financial year.
- 3.8 The **Indigent Support Policy** will prevail as long as funds are available.
- 3.9 The Council may review and amend the qualification for indigent support.
- 3.10 The collective or joint gross income of all the households will be taken into account. The household income must be correctly reflected on the application form requesting indigent support.
- 3.11 The residents must formally apply on the prescribed application forms for the relief and will qualify for the indigent support according

to the prescribed criteria/principles laid down by the Council. After the application form has been completed, an effective and efficient evaluation system will be used in order to obtain the outcome within a reasonable time determined by the Council.

- 3.12 If a person is found to be indigent, it should be registered on a database linked to the debtors system.
- 3.13 The onus is on the recipient to inform the Council of any change in his/her status or personal household circumstances.
- 3.14 All indigents will be re-evaluated after a period of three months to assess the provision of continued basic services.
- 3.15 Disciplinary measures decided by the Council, will be imposed on people who misuse the system and provide incorrect information.
- 3.16 An approved community communications programme, embodying the principles of transparency and fairness, to be implemented in respect of the **Indigent Support Programme**.
- 3.17 Skills training and other education related programmes to be introduced to develop the indigent to become self-sufficient and thereby reduce the rate of indigence. The provision of **Social Welfare Services** at the office of the Municipality should also be reviewed.
- 3.18 Any other principle decided by the Council.

#### **4. CRITERIA FOR QUALIFICATION FOR INDIGENT SUPPORT**

- 4.1 A household where the combined or joint gross income of all occupants/residents/dependants, over the age of 18 years or who have potential earning capacity, is less than 2 times the old age government pension per month (**National Norm**) and can no longer afford to pay for the services provided by the Municipality.
- 4.2 Only registered residential consumers of services delivered by the Municipality.
- 4.3 Households who formally apply for relief on the prescribed documentation and satisfy the qualifying criteria/ principles determined by the Council.

- 4.4 Households/occupants/residents/dependants who do not own more than one property.
- 4.5 Households who are not receiving significant benefits or regular monetary payments.
- 4.6 Property owners who live on the premises.

## **5. PERIOD FOR QUALIFICATION**

The period for implementation of the **Indigent Policy** is to be determined by the Council during its budgetary process in each financial year.

## **6. EXTENT OF INDIGENT SUPPORT**

The extent of the monthly support will be determined by the Council's budgetary provisions and/or the amount received from the **Central Government** divided by the number of recipients with a maximum of an average monthly service account determined as follows:

- 6.1
  - Refuse collection;
  - Electricity; and
  - Average assessment rate of a residential property.
- 6.2 The Council will on a three-month basis assess the level of support depending on the number of applicants.
- 6.3 The level of indigent support shall not exceed the monthly billings to the account.

## **7. DISTRIBUTION OF THE INDIGENT SUPPORT**

- 7.1 Relief will only be distributed to those residents who apply and qualify.
- 7.2 The relief must be significant so as to relieve the recipient of the financial hardship for a specific period.
- 7.3 All registered consumers will be charged the determined economical tariff or charge.

- 7.4 The recipient's monthly account will be credited with the amount of indigent as determined by the Council on a monthly basis.
- 7.5 Relief will be applied for a period of approximately 3 to 6 months as determined by the Council.
- 7.6 The household may apply for continuation of the relief depending on his/her circumstances.

## **8. APPLICATION FOR INDIGENT SUPPORT**

- 8.1 Application for relief must be made on the prescribed forms. The application must comply with all the necessary requirements.
- 8.2 The application form to contain, **inter alia**, the following important information:
  - 8.2.1 Details of the account holder ;
  - 8.2.2 Proof of income;
  - 8.2.3 Proof of residence,
  - 8.2.4 Identification documents, and
  - 8.2.5 Number and names of defendants.
- 8.3 The onus at all times to re-apply for continued relief or submit proof of change in circumstances rests on the household.

## **9. CONTROL MEASURES FOR THE DISTRIBUTION OF INDIGENT SUPPORT**

- 9.1 A committee consisting of Councillors and staff will be appointed to administer the **Indigent Support Programme**.
- 9.2 The committee will scrutinize each application prior to approval.
- 9.3 On a monthly basis the status and complete details of the applicants and respective beneficiaries are to be submitted to the Council for noting.
- 9.4 For the purposes of transparency, on a monthly basis, the following key information of the recipient's indigent support should, where possible, be displayed on the notice board at the cashiering offices of the Council:

- 9.4.1 Names of households receiving relief for the prescribed period;
- 9.4.2 Stand number where services are rendered to the recipients;
- 9.4.3 Total households income; and

9.4.4 Number of dependants residing on the property.

9.5 Any resident may query the qualification of a recipient in writing, within 14 days from the date of publication, to the Council.

9.6 Any other measure decided by the Council.

## **10 ARREARS ON INDIGENT ACCOUNTS**

- 10.1 Customers who qualify for equitable share subsidy and who are in arrears, may be placed on the pre-paid metering system at council discretion.
- 10.2 Where 10.1 is applicable, a notice will display upon the first purchase of power to visit council's Finance department to make suitable arrangements regarding the arrears.
- 10.3 The non-payment and arrangement as referred to in clause 11.2 above will be as determined in terms of councils credit control and debt collection policy

## **11 ACTION AGAINST MALPRACTICES**

11.1 The Municipal Manager will refer queries to the Committee for **Indigent Support Policy**, who may take the following action:

- Request the resident to provide full proof of his/her banking account and income details as well as pension registration;
- Direct inquiry at the recipient's residence;
- Request a social welfare worker's report on the household, and
- Any other action decided by the Council

11.2 If it is established that incorrect information was furnished in obtaining relief the following action can be taken:

- 11.2.1 Suspend or stop the relief immediately;
- 11.2.2 Recover from the recipient the amount of relief furnished by debiting his account;
- 11.2.3 Normal credit control in accordance with the Council's credit control policy will apply; and
- 11.2.4 Institute a criminal charge of fraud against the recipient.

## **12    BASIC SERVICES OFFERED TO THE INDIGENT**

Indigent support is to be provided for the following services, subject to funds being allocated and the relevant criteria being adhered to:

- Rental,
- Rates;
- Refuse;
- Electricity.

The council may from time to time determine special tariffs for the use by the indigent for following services subject to the availability of funds and compliance with the prescribed criteria:

- Sports grounds, pools;
- Fire protection;
- Transport;
- Museums; Pensioners ( where possible), Market;
- Agricultural properties;
- Hiring of halls;
- Cemeteries and crematoria; and
- Mayor's relief fund.

## **13    MANDENI MUNICIPALITY EMPLOYEES OR SERVICE PROVIDERS ON THE INDIGENT REGISTER**

13.1 No Mandeni Municipality employee/ service provider shall appear on the indigent register or benefit from the indigent programme unless,

- a) The employee/ a service provider lives in one of the Council designated areas and is only receiving the refuse benefit.

## **14. REPORTING REQUIREMENTS**

14.1 The municipal manager or his nominee shall report on a quarterly basis to the council for the quarter concerned and by municipal ward:

- a) The number of households registered as indigents and a brief explanation of any movements in such numbers;
- b) The monetary value allocated per service category of the actual subsidies.
- c) The budgeted value allocated per service category

14.2 The Finance Directorate or the responsible official shall keep and monitor a complete register of registered indigent household;

- a) The number of registered child headed families
- b) Performance of all areas against targets as set out in the municipality's performance management system

## **15 DISCRETIONARY POWERS**

The Council has the discretionary powers to amend any clause, stipulation or tariff embodied in the **Indigent Support Policy** in the interest of the parties concerned.